FOREIGN AGRICULTURE

Planting coffee, Kenya

Iraqi Farm Imports

West Germany's Strict Pesticide Control Laws

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In this issue:

2 Rapid Growth Continues in U.S. Farm Exports to Iraq
By John B. Parker, Jr.

5 U.S. Seed Sales to France Zoomed in 1973-74
By Laurent Hedde

6 West Germans Enforce Strict Pesticide Control Laws
By Thomas B. O'Connell

9 Philippine Cotton Trade Faces Depressed Market Conditions

10 Africa's Coffee Production Seen as Stable to 1980
By Leslie C. Hurt

12 Problems Face Trinidad's Sugar, Cocoa, Citrus Export Industries
By William L. Scholz

16 Dutch Citrus Imports Cut by Shortages

17 Crops and Markets

This week's cover:

Coffee nursery workers plant Arabica plants in Kenya. World coffee demand is increasing by about 2 percent annually, but there is no growth in the large consuming countries of the United States and Scandinavia. See report, page 10.

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Rapid Growth Continues In U.S. Farm Exports to Iraq

By JOHN B. PARKER, JR.
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SELDOM HAS A U.S. farm market grown so dramatically, or fast, as the small, sparsely populated country of Iraq, which is using its oil wealth to bankroll a vast import expansion.

From just $1.6 million in 1972, U.S. agricultural exports to Iraq leaped to $32.7 million in 1973 and then $114.8 million in 1974. And shipments may well reach a peak $160 million in the fiscal year ending this June—a 100-fold gain in less than 3 years.

Wheat and rice have dominated this trade so far and will probably continue to do so, although there is a trend toward diversification as more affluent consumers try new products. Also, the traditionally sharp variations in domestic crops will have a major impact on trade changes, as they have in the past.

Wheat, for instance, is expected to account for less than half U.S. food exports to Iraq in calendar 1975, compared with 84 percent last year. This shrinking share reflects the expanding product mix, plus expectations of a good 1975 harvest in Iraq as a result of excellent winter rains. Hence, purchases of U.S. wheat are not measuring up to the 575,000 tons shipped to Iraq in calendar 1974.

This slack will be filled by rice—sales of which are seen quadrupling—and other items, although total trade in calendar 1975 may not exceed the $160 million peak anticipated for fiscal 1975.

Total Iraq farm imports have likewise risen markedly, approaching $600 million in calendar 1974 compared with $251 million in 1973 and a 1965-70 average of $79 million. Enlarged volumes and higher prices for wheat, rice, sugar, and tea accounted for most of the gain. Besides the rapid U.S. expansion, Lebanon and Jordan boosted sales of fruits and vegetables to Iraq; Europe upped exports of meat and dairy products; and South Asia, exports of tropical products.

Rising petroleum revenues have been the major factor behind Iraq's booming farm imports. From less than $1 billion annually in the 1960's, earnings from oil jumped to $1.5 billion in 1973 and then $6.8 billion in 1974. This infusion of new wealth lifted per capita GNP from about $430 in 1973 to $900 in 1974, while a population growth of 3 percent annually—rising to 6 percent in urban areas through migration—has further kindled demand for food and agricultural products.

Unlike some of its Arab neighbors with virtually no arable land, Iraq has a sizable agricultural sector, employing about half its 10.5 million people. But agriculture provides only one-sixth of the GNP and will probably see this share diminished further in the near future as Iraq stresses economic development and industrial expansion. Meanwhile, the Government is pursuing policies aimed at spreading the benefits of its soaring oil income. These policies include Government subsidies on retail prices of staple foods and heavy imports to ensure adequate supplies of such foods.

Wheat. The United States was Iraq's major source of imported wheat in 1974, providing 575,000 tons valued at $96 million—three-fourths of Iraq's total wheat imports. This was a record, almost triple the 1973 level and five times 1965 shipments.

ALSO CAPITALIZING on the strong demand last year was Australia, which shipped 210,000 tons of wheat to Iraq. On the other hand, the USSR—a major supplier in the 1960's—was again unable to participate in this trade, reflecting the problems of recent years with its own grain supply. The last export of Soviet wheat to Iraq was reported in 1971 and consisted of 117,000 tons.

Iraq's wheat imports have fluctuated widely in the last decade. A bumper 1968 harvest, for instance, reduced Iraq's wheat imports in 1969 to a mere trickle of only 5,000 tons. By 1971,

they were up to 953,000 tons, with Australia supplying 290,000 tons and Canada 339,400. But these large purchases and a bumper 1972 harvest sharply reduced import needs the following year —in fact, finding adequate storage for the huge supply of wheat on hand was a problem for several months. The situation overlapped into 1973, when wheat imports were below 200,000 tons, but a poor crop that year led to a sharp reduction in stocks and the most recent import surge.

The wide trade fluctuations, in turn, reflect uncertain crop conditions in Iraq. Wheat production is concentrated in northern Iraq, where rainfall during the winter varies widely from year to year, causing sharp variations in wheat yields. Expanded use of high-yielding varieties in irrigated areas and excellent winter rainfall accounted for the record 1972 crop—well above the 1965-71 average of about 1.0 million tons annually. No sooner had that record been achieved then output plummeted to 957,000 tons in 1973, and in 1974 approximated 1.6 million tons.

During this period, demand for wheat was in a sharp uptrend, with new distribution policies in 1974 causing an additional upward thrust.

Left, comparing different varieties of barley, the major Iraqi feedgrain. Below, the cheese section of a dairy—one of the industries being expanded as consumers upgrade their diets. Larger imports of grains and breeding animals are aiding this growth.

WHILE DEMAND for traditional types of bread sold in villages continues its long-standing growth, the most striking gains have been in sales of modern types of bread prepared with baking equipment recently imported from Europe. Sales of other bakery products, macaroni, and spaghetti are also increasing rapidly.

Feedgrains. Iraq is currently in the market for about 20,000 tons of feedgrains for new commercial dairies and poultry operations. Tenders have been issued for imports of 9,000 tons of corn during the next few months.

So far, however, the United States has not participated much in the feedgrain market, with Iraq's barley imports —reaching their peak in 1971—coming mostly from Canada and France, and imports of corn mainly from Thailand and Africa. Iraq also sometimes exports barley to Kuwait and Saudi Arabia, with such shipments exceeding 50,000 tons in 1972 but falling below 20,000 tons in 1974.

Here again, an unpredictable and sharply fluctuating production is the main determiner of trade. The larger 1972 exports of barley, for instance, reflected good results from this crop, which that year peaked at 1 million tons—more than double the 1971 level.

Rice. With higher petroleum revenues eliminating the need to conserve foreign exchange—once a major hindrance to rice imports—Iraq's rice purchases are in an impressive uptrend. Last year, they soared to a record 265,000 tons—almost three times the previous peaks of 95,000 tons in 1964 and 97,000 in 1971—and further growth is seen for 1975.

The United States is expected to account for two-fifths of the 1975 import total—more than quadrupling its 1974 sales figure of $14 million—in what amounts to a major breakthrough for U.S. rice trade. In January 1975 alone, U.S. rice exports to Iraq reached 34,600 tons valued at $16 million—more than total shipments in all of 1974. Then, this country supplied only about 31,000 tons, or similar to shipments from the People's Republic of China (PRC), Brazil, and Peru and well under the nearly 90,000 tons shipped by Thailand.

Also behind the import expansion have been soil salinity problems in Iraq's rice-growing areas and a resulting 33 percent decline in 1973 output to 157,000 tons. This drop coincided with a huge leap in consumer demand for rice—long a favorite food for special occasions. Additionally, income elasticity for rice is high, and recent programs to bolster per capita income have contributed to rapid expansion in rice sales, especially since prices are subsidized by the Government.

Tobacco. The United States has been out of Iraq's tobacco market in recent years. However, a decade ago this country was sending some 1,500 tons a year of flue-cured and burley tobacco to Iraq under Public Law 480, and the United States could again find a market there for U.S. tobacco for blending.

Iraqi cigarette output has more than tripled during the last decade, exceeding 16,000 tons last year. Similar rapid growth in tobacco production had supplied most of the additional need, even allowing some tobacco for exports—Iraq shipped more than 1,000 tons to Egypt, Kuwait, and other markets in 1972 and 1973. However, tobacco output has declined in the last 2 years.

Sugar. The leading import supplied by sources other than the United States, sugar purchases have risen rapidly in recent years as a result of sharp gains in both volume and value. From $35.8 million in 1972, Iraq's sugar imports leaped to $111.9 million in 1973 and probably hit $150 million in 1974. Much of this came from Brazil—over 200,000 tons in 1973 and again in 1974.

Fruits and vegetables. Iraq's imports of fruits and vegetables have risen from $6.8 million in 1964 to about $16 million in 1974. Participating in the expansion have been apples from Lebanon dried fruits from Syria and Afghanistan, and seasonal purchases of tomatoes and melons from Jordan and Saudi Arabia.

Even more important than its import trade is Iraq's exports of dried fruits, especially dates. Iraq is the world's leading exporter of dried dates, with annual shipments to foreign markets ranging between 200,000 and 220,000 tons. Earnings from date exports now exceed $30 million annually and go mainly to the PRC, India, the USSR, Czechoslovakia, and the United States.

Iraq also exports a wide variety of fruits and vegetables to Kuwait for more than $5 million annually.

Other products. Expanding Iraqi soap output has spurred demand for imported tallow. Although most of the tallow has come from Europe, U.S. exports of tallow also are on the rise, increasing to 5,600 tons from 2,300 in 1973.

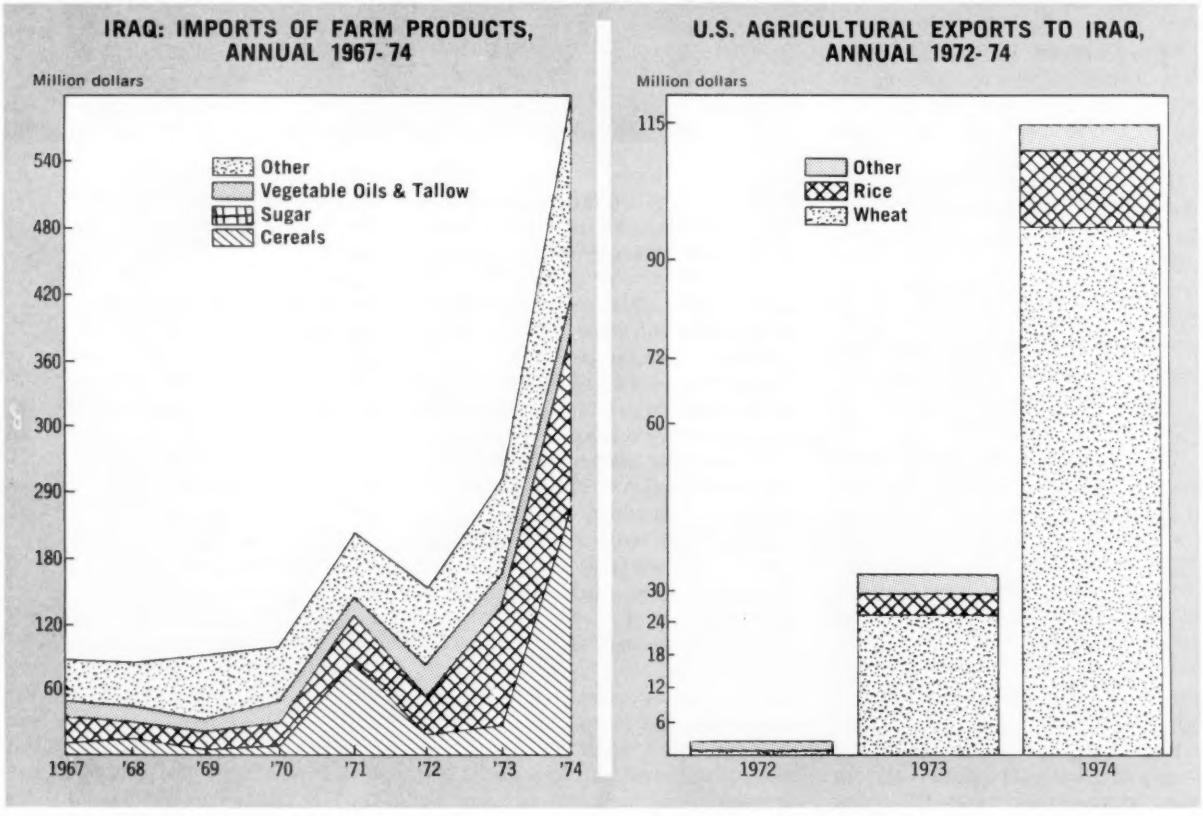
IRAQ ALSO WAS a market for almost $1 million worth of U.S. seeds in 1974; $719,000 of this was for vegetable seed, including $96,000 for sweet corn seed and $62,000 for hybrid corn seed.

U.S. shipments of baby food and corn-soybean milk blends under relief programs ended in 1973, but cash sales of some processed foods began in 1974. In fact, new import policies could bring dramatic gains in U.S. sales of processed foods to Iraq, particularly those providing improved nutrition for school children. Already, gains in U.S. sales of peanut butter, fruit juices, and almonds to neighboring Kuwait have acquainted Iraqis working there with these items.

U.S. exports of ingredients for Iraqi food and beverage industries doubled in 1974, nearing $900,000. This included $527,000 for 50,000 gallons of liquid beverage base sold to the local bottling industries and $324,000 for various gums used in Iraq's expanding bakeries and candy factories.

The United States exported about 5,000 tons of soybean meal to Iraq in 1973 for $1 million, but no shipments were reported in 1974. However, ambitious plans to expand poultry output and establish modern dairies and beef cattle feedlots should greatly expand future demand for imports of soybean and peanut meal. These projects will also spur imports of live breeding animals.

Iraq's plans to boost agricultural development include expanded use of irrigation water from the Tabaqua Dam plus greater use of fertilizer and improved varieties. Foreign technicians will be hired for various tasks aimed at accelerating development.



U.S. Seed Sales to France Zoomed in 1973-74 But Likely To Turn Down This Season

By LAURENT HEDDE
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FRENCH FARMERS greatly increased their plantings of U.S. seeds—mainly grasses and legumes—in 1973-74. Imports of U.S. seeds skyrocketed to $4.2 million, compared with only $1.7 million in 1972-73.

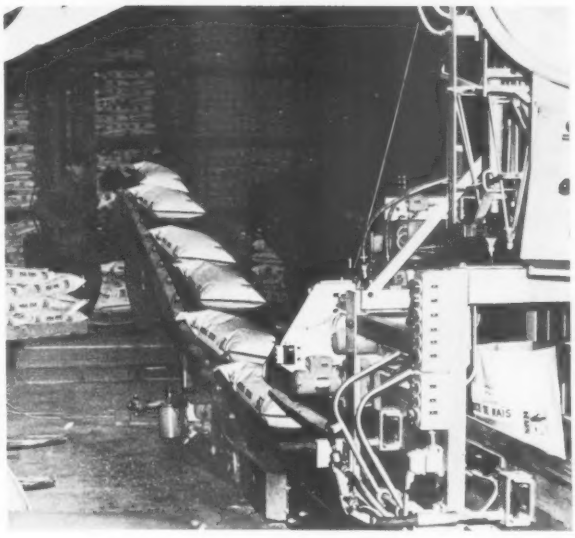
But the excellent year for U.S. seed sales to the French is not likely to be repeated. Seed supplies are adequate, not only in France but throughout the European Community.

Further, a new common catalog (approved variety list) of certified forage seed varieties has been developed by the Community. The new catalog—a compilation of all Member States' catalogs—came into effect on January 1, 1975, although the regulation has not yet been published.

This new catalog could dampen demand for U.S. certified seed, as well as for domestic-grown seed, by increasing the number of varieties available to French farmers. Since several U.S. varieties were already in some individual country catalogs, however, sales of these seeds may increase now that they can be sold in all EC countries.

France is an important agricultural producer, second only to the United States as an exporter of agricultural products, so that the U.S. seed industry is keeping close tabs on market possibilities there. French farmers are especially interested in newly developed U.S. Durum varieties and in the relatively new pelleted sugarbeet seeds. The French market is also likely to continue strong this season for certain U.S. lawn grasses, such as bluegrass and red top.

France increased its production of almost all varieties of forage seeds in 1974-75. Quantities of certifiable alfalfa seed, for example, rose from 7,220 metric tons to 8,000. In contrast to the more adequate supplies, demand for seed in France is lagging. Very poor weather conditions last fall had a negative effect on forage seed sales. Also, some planned fall planting was not accomplished because of wet fields.



Corn seed is packaged automatically at a plant in southwestern France. Corn seed marketings have slowed in recent years, reflecting a stagnation of corn acreage in France.

Sales of certified seeds by the French seed industry have increased sharply since 1970, when France made seed certification mandatory for most species, except vegetables and flowers. Traditional use of homegrown seeds has been practically eliminated, replaced by certified varieties. Breeders, growers, and traders, through an interprofessional organization (GNIS), have promoted seed usage and highly integrated the market in the areas of cereal and forage seeds.

Wholesale turnover in the French seed industry in 1973-74 rose to $375 million from $292 million in 1972-73 and $229 million in 1971-72. Some of this expansion, however, has been from higher prices for seed of new varieties—such as the pelleted sugarbeet seeds (monogerms), which have greatly expanded their share of the market.

French exports of seeds and plants soared in 1973-74 to a value of $57.3 million, versus only $28.5 million the previous year. The more-than-50 percent increase was largely the result of an expanded volume of potato and corn seed exports, as well as rising legume seed prices. Seed imports during this period, however, surged to $73 million from $53.1 million—up 41 percent—so that in spite of the exceptional export showing, France is still a net importer of seeds. Long-term trends also show imports outpacing exports.

Cereal seeds. Domestic marketings of certified cereal seeds, excluding corn and sorghum, edged up 6 percent in 1973-74 to reach 456,200 tons. More than ever, French farmers are interested in planting winter varieties, especially barley, where sales spurted ahead by 140 percent between 1970-71 and 1973-74, against a rise of only 23 percent for spring barley.

Two trends are emerging in French cereal seed marketings. The life span of a specific variety is notably shorter than 10 or 20 years ago; and the market is no longer dominated by one or two varieties, owing to the rise in the number of varieties available to farmers.

French farmers are showing particular interest in several new cereal varieties. For feed wheat, the British variety, Maris Huntsman, is gaining popularity. Bidi 17 is still the most-wanted Durum variety, but Durtal is increasing its share. Lakota and the recently introduced Wells variety—both from North Dakota State University—have proven of interest to farmers.

Marketings of certified corn seed advanced by only 4 percent in 1973-74 from the previous year, when the in-

crease was just 2 percent—reflecting stagnation of corn acreage in France. Bumper seed crops in 1973 of 125,000 tons boosted carryover stock of corn seed to a very high 42,600 tons.

French interest in growing corn for silage could sharpen in the next few years. Of varieties planted, single cross hybrids are in demand, owing to more uniformity plus high yields.

Forage seeds. A key factor in the development of the French seed industry has been the expanded market for forage seed. In 1972-73, forage seed sales swelled by about 30 percent. Although 1973-74 saw a slowdown to only 5 percent over 1972-73, prospects are good for continuing growth, especially for use on France's 5.7 million acres of temporary meadows.

Responding to insufficient production and high prices, domestic sales of grass seeds dropped by roughly 11 percent in 1973-74, contrasting with the startling 45 percent gain in 1972-73 over the previous season. The sales slowdown affected mainly perennial ryegrass and meadow fescue. On the other hand, French farmers have shown a keen interest in tall fescue; and sales of alfalfa and red clover seeds have continued strong.

Sugarbeet seeds. The market for sugarbeet seed is very active in France. Some 1.3 million acres of sugarbeets were planted in 1974. Because of the sugar shortage, the EC Council is pressing for an even larger acreage this year.

More than half of French sugarbeet acreage last year was planted with genetic monogerm seed, which has increased in use impressively in recent years. Sales of pelleted seed rose 33 percent in 1974 over 1973; both exports

Continued on page 15

FRANCE: PRODUCTION OF SEEDS ELIGIBLE FOR CERTIFICATION
[In metric tons]

Species	1973-74	1974-75
Orchard grass	1,500	1,600
Alta fescue	640	740
Meadow fescue	315	550
Red fescue	10	20
Italian ryegrass	4,540	6,700
Perennial ryegrass	235	350
Hybrid ryegrass	185	160
Timothy	155	100
Alfalfa	7,220	8,000
Red clover	4,600	2,800
Common vetches	1,190	1,750
Corn	125,000	78,000

Source: National Interprofessional Organization for Seeds and Plants (GNIS).

West Germans Enforce Strict Pesticide Control Laws

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WEST GERMANS traditionally have been concerned with food purity —a concern that is reflected in strict legislation regarding pesticide use and permitted levels of pesticide residues in food. These regulations have a spillover effect on food imports into West Germany—the world's largest importer of agricultural products, estimated at about $12 billion in 1974.

While advocates of "pure foods" are found throughout the world, they seem to be more numerous in West Germany than in many other countries. Such foods are generally considered to be those produced without chemical fertilizers, pesticides, or food additives. In the United States, they are called organic or natural foods.

Not all of West Germany's organic food users, however, are aware of the country's rigid pesticide regulations, which aim at balancing consumer health safety with good farming practices. Concern is growing that German consumers are paying more for allegedly organic foods that are neither safer nor more wholesome than foods of better quality produced more efficiently with pesticides and fertilizers.

West Germany has one of Europe's longest histories of regulating farm chemical use through legislation. Two basic laws—the Plant Protection Law and the Food Law—provide authority for legislation governing agricultural chemicals. Both are general laws, under which a number of implementing ordinances are issued.

The first, the Plant Protection Law of May 10, 1969, relates mainly to the production and application of agricultural chemicals, and is under the authority of the Federal Ministry of Agriculture. Among other things, the law delegates responsibility to the German states for enforcing various ordinances, such as that setting residue tolerances, and presents enforcement guidelines.

Another ordinance under the Law is concerned with testing and registering plant protection materials. Under this ordinance, detailed guidelines are set forth for registering plant protection materials such as insecticides, fungicides, and plant growth regulators.

Responsibility for carrying out the provisions of the ordinance rests largely with the Federal Biological Institute, a semiautonomous Federal agency, reporting to the Federal Minister of Agriculture. The Institute's main office and laboratories are in Braunschweig.

The second basic law is the Food Law of January 17, 1936, as amended. As with all other matters having to do with residues in foods, responsibility rests with the Federal Ministry of Youth, Family, and Health. The Food Law provides the legislative authority for establishing pesticide residue tolerances.

The Ministry of Youth, Family, and Health drafts residue tolerance ordinances in consultation with such other Ministries as Agriculture and Economics and Finance, as well as with food industry representatives and producer and consumer groups. Tolerances are published in the Residue Tolerance Ordinance for Plant Protection Materials, which is periodically modified, most recently on June 5, 1973.

BOTH OF THESE basic laws require the consent of the Federal Assembly and the Federal Council. Most ordinances, however, since they provide authorization for implementing programs, require the consent of only the Federal Council. Thus, in the last analysis, food legislation depends on the consent of a political body.

Establishing tolerances. The first step involved in placing a pesticide—including an imported product—on the German market is to apply to the Federal Biological Institute. Application may be made by the producer, the owner of the firm intending to market the substance,

or by the importer.

According to the Plant Protection Law, an application must include at least the following: Name and address of applicant, name of substance, composition of substance (scientific nomenclature), uses and indication of hazards, instructions for use, intended labeling of packages, nature of packaging materials, and other pertinent documentation.

The applicant must also provide the Institute with at least a 2-pound sample of the compound for chemical and physical tests, plus additional amounts necessary for carrying out biological investigations in the field.

In addition, the Biological Institute requests that the applicant complete a form with such further information as toxicity, including acute, oral, dermal, and inhalation medial lethal dosages determined on at least the rat; 20-day chronic toxicity tests; and 90-day to 2-year feeding tests using the rat and the dog.

INFORMATION is requested on fire hazard; shelf life; flash point; melting point; boiling point and persistence in plants, plant products, earth, and water of original substance, degradation products, and reaction products—in foodstuffs and in feedstuffs.

Further, applicants must specify target organisms and host plants; application rates; delay between applications and between last application and harvest; disposal; equipment cleanup; possible dangers to neighboring crops, warehouse personnel, field workers, and bees; efficacy for specific uses; and analytical methods for the determination of residues.

The Biological Institute must provide the applicant with a report on the status of its work within 3 months following receipt of the application. Before final authorization, the Biological Institute must provide its own results on at least six categories of tests, including: Chemical composition, efficacy for intended uses, possible hazards to plants and plant products, effects on human and animal health, and persistence in earth and water.

After these tests are completed, an Export Committee meets to render an opinion on a pesticide chemical before it is authorized for marketing.

This Committee is composed of 30 members appointed by the Federal

West German housewife inspects apples in a supermarket, left. Produce and other food products sold in West Germany are subject to stringent legislation governing permitted levels of pesticide residues. Laws also regulate the manufacture and use of plant protection materials, such as growth regulators, fungicides, and insecticides, applied below. Bottom, shopper ponders her selection of produce, all subject to the high food purity standards.

Council. Members are drawn from the Biological Institute, the Federal Health Office, and the State Plant Protection Services.

As appropriate, additional representatives may be designated from universities, analytical institutes, and from among Federal and State officials. Other experts, not members of the Committee, may also be asked to appear at the meetings. Once authorization has been granted, it is valid for a period of 10 years and is renewable.

Having successfully completed procedures necessary for authorization by the Biological Institute, samples of the compound, along with copies of all the data developed to this point, are forwarded to the Federal Office of Health (an arm of the Ministry of Public Health) located in Berlin.

AT THIS AGENCY, toxicological data in particular are examined and further tests carried out as necessary. Data are then reviewed and compared with similar data from other agencies and with acceptable daily intake (ADI) recommendations from the World Health Organization.

All findings are then considered in the light of good agricultural practices and good manufacturing practices and used as the basis for a recommended residue tolerance and forwarded to the Federal Ministry of Youth, Family, and Health in Bonn.

This Ministry consults with other interested Ministries (particularly Agriculture), as well as with industry and consumer representatives, before preparing a final proposal on residue tolerances.

After the proposal has been approved by the Federal Cabinet, it is presented to the Federal Council for final legislative action.

At this point, the proposal has taken the form of an amendment to the Residue Tolerance Ordinance. The results of the action taken by the Federal Council are published in Part I of the Federal Law Register.

Neither newly established nor changed residue tolerances are ever published individually; rather the entire list is amended periodically (appearing as an annex to the Ordinance).

The Federal Biological Institute may publish new pesticide registrations indicating changes in residue tolerances, however, provided that an adequate delay period between last application and harvest is stipulated. Such changes or additions to the list of approved pesticides are published in the Federal Gazette.

For those pesticide-crop combinations for which no residue tolerance has been specifically established, an automatic tolerance is assumed at one-tenth the lowest published tolerance for that pesticide on the most closely related crop.

This system poses an ever-increasing number of problems, as more and more such combinations are found which do have a place, however small, in German agriculture. Growers of such crops find themselves frustrated by these prohibitively low residue requirements. German officials are aware of this situation and claim to be in the process of remedying it.

Enforcement. Enforcement of the German Food Law, and consequently both the taking of samples of foodstuffs and the performance of chemical analyses on them, is entirely in the hands of the 11 German states. Each individual state has developed its own administrative orders.

Sampling. There is no standardization of sampling sizes and techniques in West Germany. Sample sizes and the manner in which they are drawn may in some cases be left to the discretion of the individual inspectors.

Domestically produced commodities may be sampled in retail stores, in retail or wholesale storage facilities, or, in a very few cases, on the farm (after harvest and already sold). Imported agricultural goods are sampled at the point at which they enter the German customs territory.

Food inspectors are authorized to sample agricultural commodities only after they are legally classified as food. Imported goods become food immediately following sale to the first merchant in the chain. Processed goods, such as bread, milk, or beer, may be sampled at the processing plant.

Many German officials would prefer to sample at the "farm gate," but the present situation, plus the more practical fact that German farms are relatively small and widely scattered, make "farm gate" sampling very difficult.

These legalistic and logistic problems make it very difficult to enforce proper pesticide usage on the farm. By the time an infraction is discovered, it is often too late either to identify the producer or to prevent circulation of the lot from which the sample was taken.

More and more, German states are making use of coding systems, whereby each lot of commodities is identified as to specific farm or origin, and samples for analysis are similarly identified. Such systems at least will permit the inspectors to take punitive action against those who misuse agricultural chemicals.

Sampling regulations vary from state to state. Nordrhein Westphalia, which includes the densely populated Ruhr Valley, is the most populous of all the German States and receives a large portion of the foodstuffs imported into Germany. This State adopted an Administrative Order on Food and Quality Grade Inspection in November 1971.

The order spells out all of the operating details concerning sampling techniques for foodstuffs, as well as analytical methods to be used, such as those for determining pesticide residues. For example, it provides that at least 10 samples per year be taken for each 2,000 inhabitants. At least three of these 10 samples must be from foodstuffs of animal origin.

The Order also contains lists showing the minimum sample sizes required for many individual food products. These samples are drawn by trained food inspectors either by buying samples in retail stores, or at the production level by visiting food manufacturers, processors, or slaughter plants.

THE INSPECTORS are responsible, among other things, for taking samples, identifying them as to source, and forwarding them for laboratory analyses. Thus, compliance is concentrated much more heavily on the final processed product than on raw agricultural products.

Imported products may be sampled twice—first, at the point of entry into the Federal Republic, and second at the point of sale in one of the states.

Customs officials now have the authority and responsibility to determine —in cooperation with the regular food inspection laboratories—that imported foods comply with the new German Food Law, enacted in August 1974. The new law specifically provides that all imported products must meet the requirements of the Food Law, with only the exemptions that are specified in detail.

Analysis: Throughout the FRG, there

Continued on page 20

Philippine Cotton Trade Faces Depressed Market Conditions

PESSIMISM surrounds the Philippine cotton textile industry in 1974-75, as production costs continue their upswing in the face of a depressed market brought about by global inflation.

Economic losses caused by severe floods early in 1974-75 may have triggered the chain reaction in which demand for Philippine textiles—both locally and for export—was slashed, producing a cutback in consumption, a slowdown in imports, and a doubling of stocks. Already millers have turned to the Government for relief measures to ease the worsening market conditions, in which cotton imports from the United States—by far the largest supplier—have slowed sharply from their heretofore rapid pace. In view of such problems textile industry performance probably will not soon reach the high level of activity achieved in 1973-74, when consumption of raw cotton was up nearly one-fourth from the previous season's level.

During 1973 and the early months of 1974, strong demand favored the local textile industry, with mills operating three shifts 6-7 days a week. Production costs then were relatively low, making local textiles more competitive in world markets—exports accounted for about 12 percent of production in 1973-74, compared with about 6-7 percent in the previous year.

This strong export performance in turn shows up in the $24.1 million of foreign exchange earned by Philippine textiles in 1973—almost three times the 1972 level of $8.8 million. At this point, however, the bright picture begins to fade, since exports anticipated for all of 1974 do not parallel the high level of 1973.

The outlook for the current 1974-75 season grows even more discouraging. The heavy rains and floods that struck the Central and Southern Luzon regions at the beginning of the year damaged crops and property, taking a large bite out of the purchasing power of the people in these areas.

Already textile industry sources anticipate a 5 percent reduction in domestic sales during 1974-75 from sales last season. The slowdown is reflected in reduced mill operations. Some have implemented a 5- rather than 7-day work week; others have reduced shifts from three to two per day.

Meanwhile, competition in world markets is rising, clouding prospects for Philippine textile exports this year and forcing the industry to contend with abnormally high stock levels.

Another factor that will affect cotton usage is the current oversupply of fibers—a situation precipitated by a 28 percent increase in manmade fiber imports in 1973-74, to 38,724 metric tons. This, in turn, has depressed prices for manmades, making them more competitive with cotton. The current price differential between manmade fibers and cotton is about 10 cents per pound, contrasted with 20 cents at the same time last year.

Without control measures, accumulation of stocks is likely to continue. Further price cuts already have been initiated by exporting countries, and imported fibers now are being sold at prices below production costs. To combat these developments the Philippine Board of Investments is examining the possibility of controlling imports of polyester fiber.

Because of abundant beginning stocks and weakened demand, imports of raw cotton in 1974-75 are forecast nearly one-fourth below those for the previous season, when they totaled a record 43,121 metric tons, 57 percent above 1972-73 imports, and 2,000 tons over the previous record set in 1966.

Virtually all of the decline will be borne by the United States, which has been and is expected to continue as the principal supplier of raw cotton to the Philippines—in 1973-74 U.S. cotton accounted for nearly all of its imports. Imports from other sources last season were less than 1 percent of the total and included (in metric tons): Mexico, 227; Nicaragua, 101; and Egypt, 59.

Financing of these cotton arrivals traditionally has come from the U.S. Public Law 480 and Commodity Credit Corporation (CCC) credit programs. However, both of these programs expired on June 30, 1973.

Because no new P.L. 480 authorization or CCC credit line had been approved, the Central Bank of the Philippines, to ensure a continuing supply of cotton, between July 1973 and February 1974, allocated $100 million in free exchange for cotton purchases. As early as July 1974, the mills had spent $51 million of the total exchange, leaving $49 million available for future purchases. Following approval of a $20 million CCC credit line in June, however, the Bank withdrew $20 million, reducing the initial allocation to $29 million. Cotton purchases currently are being financed by the lastest CCC credit line—available until June 30, 1975—and when this is gone, the $29 million, which carries no time limit, will be tapped.

At this time, however, few contracts are being made for the purchase of cotton, thus reinforcing the generally depressed market conditions. Those traders who have obtained contracts recently report that prices have been low, ranging primarily from 49 cents for the shorter staple and minimum qualities to 56 cents for 1-1/16" high qualities (f.o.b. values).

IN CONTRAST, contracts for cotton sold during November 1973-March 1974 for delivery in the fall of 1974 specified prices in the range of 66 cents for 15/16" staple length, strict to low middling grade, to 71 cents for 1-1/16" middling grade.

Despite its current difficulties the Philippine textile industry is looking for the 1975-76 season to reverse the discouraging trend projected for 1974-75, citing a number of reasons why this may happen:

- Real growth of the Philippine GNP is expected to be fairly substantial;
- Plans call for continued expansion of plant capacity and increased exports of both textiles and finished garments to world markets;
- The large supplies of finished goods now on hand in the Philippines and other exporting countries should be reduced during the current year;
- Domestic demand continues to be bolstered by an annual population growth in excess of 3 percent; and
- Continued improvement is anticipated in the areas of income and employment.

Inflation, however, continues to loom as the principal—and by far most powerful—offsetting factor.

—Based on a report from
GLENN SAMSON,
U.S. Agricultural Attaché, Manila

Africa's Coffee Production Seen as Stable to 1980

By LESLIE C. HURT
Foreign Commodity Analysis, Sugar and Tropical Products
Foreign Agricultural Service

Coffee, one of the oldest edible seeds known to the civilized world, has come a long way since Esau, son of Isaac, sold his birthright for what may have been a handful of African coffee beans.

A Swiss minister and author, Pierre Etienne Louis Dumant, is of the opinion that the "mess of pottage" mentioned in Biblical accounts of Isaac's sons may well have been a supply of roasted coffee berries, which were a highly prized food in North African areas in ancient times.

Historical research shows that coffee berries were first used as food, then as medicine, and finally as a beverage.

Far more valuable to African farmers today, coffee production has leaped from a modest 250,000 bags prior to World War I to about 20 million in 1974. Acreage increases and better yields could send this figure even higher, but because of the world coffee supply situation there is little activity currently directed to increasing production.

THE 20-MILLION-BAG annual harvest of Africa's 25 coffee-producing countries amounts to about 25 percent of world coffee output, and this level of production is likely to remain relatively stable through 1980, although world demand for coffee is increasing by about 2 percent annually.

Weather and soil conditions in Africa are suitable for coffee production, and there is ample opportunity for further expansion of plantings. There are areas suited for increased production of Arabica, Robusta, and Liberica varieties.

Africa's capability for coffee production was long dormant, but following World War I there was a decided growth. Several factors contributed to this expansion, including special government campaigns, higher prices, and financial assistance.

Just prior to World War I, Africa was producing only about 250,000 bags (132.276 lb per bag) annually. By 1940, the total had reached about 3 million bags, and by the early 1960's was averaging about 16 million bags.

Since 1957, when world surpluses of coffee began building up, plantings have been largely curtailed, and production during the past 5 years has been at the level of about 20 million bags annually. At present, this volume accounts for 25-30 percent of total world production.

Coffee is being harvested somewhere in Africa every month of the year. Most of the Robusta harvests, which account for 75 percent of Africa's coffee production, begin in October or November, while Arabica harvests often begin about the middle of the year. The export season is heaviest for about the first 4 months of the year.

Most of the coffee harvested is processed by the dry method, although many of the estates use the wet method. Yields vary sharply, and production costs also differ considerably.

The yield per acre on small holdings often amounts to only about 250-350 pounds per acre, while that of estates may be six times as much. Production per acre for small holdings could be increased sharply by use of more fertilizer, manure, or organic matter.

Much of Africa's coffee output is sold through marketing boards or cooperatives. In the Ivory Coast, the Caisse de Stabilesation et de Soutien des Prix des Production Agricoles, which operates under the Ministry of Agriculture, must approve all coffee exports. It also controls all Ivory Coast coffee sales.

The Kenya Coffee Marketing Board is responsible for production and marketing in that country. Coffee marketing boards also function in Tanzania, where much of the coffee outturn is sold at auction.

Angolan coffee is sold to exporters or buying agents on the farm or at the port, while in the Malagasay Republic producers are permitted to sell through any channel. A coffee board functions in Ethiopia, but growers are free to market their harvests in any manner they choose.

The export value of coffee is particularly important to all African producing countries. Coffee accounts for well over half the value of all exports from Burundi and Uganda, and about half the value of exports from Rwanda and Ethiopia.

In most other producing countries, the value of coffee exports is about one-quarter of total export values. Countries in this category are Cameroon, the Central African Republic, Ethiopia, Ivory Coast, Kenya, Malagasy, and Angola. In Tanzania, coffee accounts for about 15 percent of the total value of exports.

In calendar 1974, about one-third of all exports of coffee from Africa were shipped to the United States, which took 6,372,639 bags in 1974—about 33 percent of all coffee imported into the United States.

In 1960, by contrast, the United States imported 3,824,398 bags from African countries—17.3 percent of its total coffee imports. Between 1960 and 1973, the largest gains in volume of production were made in Angola, Ethiopia, Ivory Coast, and Cameroon, although several small producing countries had larger gains in terms of percentage of increase.

Angola and Ethiopia ship more coffee to the United States than to other destinations; Ivory Coast shipments to the United States are about equal to those of France.

Most African coffee-producing countries have been members of the International Coffee Agreement. The Agreement came into effect in 1962, but its economic provisions expired September 30, 1973. The Agreement categorizes four types of coffee—Robustas, unwashed Arabicas, Colombian milds, and other milds. Africa produces coffee of all four categories.

Under the International Coffee Agreement, all coffees from any particular country were classified in one category. Kenya and Tanzania have been classified with Colombians; Ethiopia with Brazilian coffees; Burundi and Rwanda with "other milds," and other African coffee-producing countries with Robustas.

During the period in which the economic provisions of the Agreement were in effect, several countries instituted diversification programs. These programs

Picking Robusta variety coffee berries in Uganda. Robusta outturns account for about 75 percent of total African coffee production. Most Robusta harvests begin in October-November, and the export season is heaviest in the first 4 months of the year. About one-third of Africa's total coffee harvests are exported to the United States.

are supported by loans from the Agreement's diversification fund. The programs need not necessarily be directed at replacing coffee as a crop, but may be aimed merely at reducing a country's dependence on coffee or at improving facilities for handling coffee.

Programs thus far in effect include a survey in Ethiopia, an oil palm project in the Malagasy Republic, tea growing in Rwanda and Tanzania, a storage project in Tanzania, and a fruit project in Togo.

The survey in Ethiopia was designed to carry out a comprehensive study of the coffee sector of the Ethiopian economy and to strengthen the planning unit of the Coffee Board.

The Malagasy Republic loan was for planting about 2,500 acres in oil palms and for a palm oil extraction plant.

In Burundi, tea has replaced low-yield coffee plantings at high altitudes. Rwanda obtained a loan for planting about 500 acres of tea to enable a new tea factory there to reach its optimum processing capacity.

The tea project in Tanzania will provide a new outlet for labor and investment funds that might otherwise be applied to coffee production. The project on Togo has several objectives: Increasing the supply of fresh fruit to the local market; producing fruit of quality suitable for export; and establishing a fruit processing industry.

Additional loans applied for include a banana project in Cameroon, a tea project in Ethiopia, a rice project in Ivory Coast, a coffee census in Zaire, and coffee storage projects in Angola, the Central African Republic, and Zaire.

The future of the coffee industry in Africa will depend on the demand situation. Overall world demand has been estimated as increasing at about 2 percent a year, although there is no growth in the large consuming countries of the United States and Scandinavia.

High growth rates are being experienced in Japan, the United Kingdom, Italy, Spain, Greece, and Yugoslavia. Consumption in Africa is not expected to be substantially higher by 1980 than at present, except perhaps in Ethiopia, which will supply its own needs.

Possible markets, as well as the potential demand for coffee by type, will be important factors as producers in Africa's coffee-producing countries set their production programs and policies for the years ahead. Other considerations include what other producing countries are doing, and the hazards of permitting an economy to become dependent upon a single crop.

Robusta Dominates Africa's Coffee

The dominant species of coffee seed grown in Africa today is the Robusta variety, which is grown in a wide zone extending from Sierra Leone in the north to the Malagasy Republic in the south.

Robusta coffee beans account for about 75 percent of total African coffee output, with Arabica accounting for the next largest share and Liberica and Excelsa making up very small production quantities.

The Excelsa species is closely related to Liberica, but there are several differences. Excelsa is a higher yielding variety, more resistant to cold weather, and has a milder flavor than that of Liberica.

The Liberica species is found in Liberia, Sao Tome, Nigeria, Equatorial Guinea, Cameroon, and the Central African Republic.

The largest producing countries in Africa are Ivory Coast (third largest coffee producing country in the world), Angola, and Uganda. The largest production concentration is in the Equatorial Belt.

Arabica is produced along the Equatorial Belt but at higher altitudes than Robusta. Coffee grown in Kenya, Ethiopia, Burundi, and Rwanda is almost exclusively Arabica.

Several countries grow both Arabica and Robusta. Among these are Tanzania and Cameroon, as well as Uganda, Zaire, and Angola, where smaller crops of Arabica are grown.

Africa's coffee is produced under varied conditions. A substantial part of output is from large estates, but there are many small holdings, some comprising less than 1 acre. The Arabica varieties are suited only for the higher elevations, while the Robusta types are grown at lower altitudes.

Problems Face Trinidad's Sugar, Cocoa, Citrus Export Industries

By WILLIAM L. SCHOLZ
U.S. Agricultural Attaché
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Workers unloading sugarcane at a Trinidad rail transfer point. The sugar industry is one that is receiving Government aid.

SEGMENTS OF AT least three of Trinidad/Tobago's export industries—sugar, cocoa, and citrus and citrus products—are having such serious problems that the Government has taken some measures to assist them and is contemplating more. The use of funds from a tax on sugar exports—the country's No. 1 export—went into effect January 1, 1975, and other aid possibilities were being discussed by industry and Government representatives. But some believe Government policies are creating new problems to replace those it is trying to solve, such as promoting food production at the expense of some export crops.

The graduated tax set on exports, designed to aid cane farmers and sugar workers in the event of future declines in earnings from export sales, is based on the f.a.s. (free-alongside-ship) price, and ranges from 15 percent of the excess over $234 for sugar selling for between $234 and $280 a long ton to 80 percent of the excess over $585 a ton for sugar f.a.s.-priced at $585 or more per ton. (Based on an exchange rate of US$1=TT$2.05.) In addition, an excess profits tax will be levied against two sugar companies either partially or fully Government-owned.

The tax on Caroni, Ltd., which is 55 percent Government-owned, will be 25 percent on profits over $7.2 million, while that on Orange Grove, which is completely Government-owned, will be 25 percent on profits over $960,000.

(Forres Park, the third sugar company in Trinidad, is privately owned and did not operate its single factory in 1974 and is not expected to crush cane in 1975. The company's estate sugar is sold to Caroni for crushing.)

Proceeds from the export levy and the tax will go into a fund managed by the Sugar Industry Control Board. In the event of any future sharp decline in sugar export prices, the fund will be disbursed through the Cane Farmers' Price Stabilization Fund. Additional use of this money will be to stabilize imported sugar prices during periods of local shortages, increase food production in sugar areas, improve transport and equipment in the sugar industry, and other activities to benefit workers and farmers "as may be determined from time to time."

To give some idea of the funds that could be made available from the export levy: Caroni announced two sales of 12,000 tons each last November from the forthcoming crop. The first, to be delivered before March 1975, carried a contract price of $1,352 per ton, and the second, to be delivered by April, carried a price of $1,467. Computed at an average price of $1,409 per ton, the levy on these two transactions alone would make about $1.6 million available for disbursement.

Because of the excess profits tax, Caroni has not yet made a projection of its 1975 profits, but for 1973-74, the company reported an after-tax profit of $3.4 million, a reversal from the losses suffered the four previous consecutive seasons. For the period from June 30 to the end of 1974, the company reported a further profit of $8.4 million for sugar shipped during the last half of the year.

However, it is likely the export levy, and perhaps the excess profits tax, as well, will meet resistance from the sugar industry. One industry spokesman believes the 15 percent levy at the lower end of the scale is completely unrealistic since it costs about $288 to produce a ton of sugar, while the Government taxes all sugar selling at more than $230 per ton.

PERENNIAL LABOR problems also are hampering the sugar industry and the Government has been called on for a solution. The All-Trinidad Sugar Estates and Factory Workers' Trade Union (ATSEFWTU) demanded—and reportedly received—a 100 percent wage increase from Caroni. Another union, the Islandwide Cane Farmers' Trade Union (IWCFTU), claims that as of early February, most of its farmer members were refusing to cut cane until Caroni recognizes the union. It also insists that a 1965 law establishing the Trinidad Islandwide Cane Farmers' Association as the sole bargaining unit for independent farmers be repealed.

Although the sugarcane harvest got underway on January 2 with a forecast production of 228,000 long tons for 1975, cane deliveries lagged and various labor actions caused continued grinding interruptions. In early March Caroni closed all factories and announced that operations would not resume until workers could guarantee no further interruptions. It is now doubtful if the earlier forecast production can be met before the onset of the rainy season prohibits further cane harvesting. As a result, domestic and Caribbean requirements (50,000 tons), as well as export contracts (29,000 tons), and commitments to the European Community (55,000 tons by June 30) may be jeopardized.

In the case of Trinidad's cocoa industry, the Government faces the ultimate

problem of whether to give large-scale assistance to an industry that is faltering badly.

Once the backbone of Trinidad's agriculture, cocoa has slipped from its position as a major export crop. Discouraged by low cocoa prices over the years, farmers have failed to replant their cocoa groves even though the Government provided new, high-yielding seedlings free of charge and offered a planting subsidy.

Because of declining production, and in spite of today's record high cocoa price levels, Trinidad's cocoa exports had fallen from a record 75.2 million pounds in 1921 to only 7.3 million by 1973.

Tropical storm Alma of August 1974 inflicted minimal damage to Trinidad/Tobago's trees, but toppled many of the taller shade trees.

Before the storm hit, most of the 1973-74 crop had already been harvested and was not affected. But now the exposure of cocoa trees to the withering rays of the sun has cut prospects for a 1974-75 cocoa crop to a level below the 10-million-pound average of the 1969-70/1973-74 period.

The most favorable forecasts for cocoa production in 1974-75 place the crop at about 8.5 million pounds. For this level to be reached, however, steps must be taken immediately to replace missing shade trees with other fast growing trees, such as bananas or plantains, and increase the use of fertilizer.

THE GOVERNMENT allocated $3.36 million to repair Alma's damage to the agricultural sector. Cocoa farmers will share in these payments, which range from $72 per acre for clearing land on which 75 percent of the trees, were damaged, down to $18 per acre for 10-24 percent damage. In addition, the farmers will receive $24 an acre for replanting the damaged portions, but in no case will they receive more than $4,800.

Cocoa industry officials welcomed this aid program but noted that even if its objectives were fully achieved, it would restore the industry only to its prestorm position.

A large proportion of the cocoa plants given or sold to farmers by the Government over the past few years have not reached maturity. Moreover, those that have matured, although possessing high resistance to some diseases, produce beans with a great size variation. Since a mixture of sizes creates processing problems chocolate manufacturers are growing even more disenchanted with Trinidad's cocoa.

Some industry representatives fear that Government plans to rapidly accelerate industrial expansion and food crop production in the next 3-5 years will create new problems for the cocoa industry. Such activities may well attract labor away from cocoa farms and, by raising wage expectations of labor in general, will create economic difficulties for cocoa growers who must depend on the remaining labor pool.

Some growers expect exports to drop further as the trees grow older and less productive and more farmers turn from cocoa to other crops.

However, the success of a recently established chocolate factory in Trinidad/Tobago may help to dispel some of the gloom. The company, which manufactures chocolate bars and snack items for some countries in the Caribbean Common Market (CARICOM), projects a future use of as much as 4 million pounds of cocoa beans annually. Its present use is 500,000 pounds. The firm also hopes to produce 100-150 chocolate items ultimately and broaden its market to include all the CARICOM countries.

Already the Government has given this firm some protection from outside competition by adding chocolate and confectionery bars to the country's "negative list" that requires importers to obtain licenses for such items imported from non-CARICOM countries.

The Trinidad/Tobago Government may also help the country's citrus industry, by aiding the Cooperative Citrus Growers Association (CCGA).

The Cooperative is concerned about the small size of Trinidad's 1974-75 orange and grapefruit crops—now estimated at 300,000 crates—down 51 percent from the 1973-74 production. Other problems are its large citrus juice carryover, intense competition from foreign concentrates, and the likelihood operating costs will be pushed up to a point where they will exceed returns.

As the result of these problems, CCGA, which normally processes 85-90 percent of Trinidad's annual citrus harvest, delayed the opening of its processing plant for 2 months.

Apparently growers were unable to spray, fertilize, and cut undergrowth in time for the 1974-75 crop because of the extended period needed to harvest the large 1973-74 crop. The 1974-75 situation was complicated when light rains in May caused citrus trees to flower, although the precipitation was insufficient for fruit development. As a result, bloom and fruit set were substantially reduced. Also tropical storm Alma caused considerable damage in August to citrus in central Trinidad.

The large carryover of canned orange and grapefruit juices resulted because the extended 1973-74 season provided large volumes of fruit for processing and also prolonged the length of the fresh citrus season. This caused consumption of canned citrus juices to plummet and stocks to build up. Also aiding the buildup was sluggish sales in foreign markets, indicating the possible loss of buyers following the disastrous 1972-73 harvest.

CANNED ORANGE and grapefruit juices from reconstituted imported concentrates have been competing with domestic processed citrus. Introduced into the market toward the beginning of the 1974-75 crop year, the new products' attractive appearance in their paper/aluminum containers and the backing afforded by an effective advertising campaign, have enabled them to capture a large share of the citrus juice market, further reducing CCGA's sales to domestic consumers.

Based on the poor crop, CCGA estimates that 1975 sales would bring in only $2.2 million, with production costs at $2.1 million. In addition, payments to growers would total another $540,000, leaving a deficit of about $440,000. Spiraling tinplate costs and a recent increase in factory wages, estimated at 15 percent, helped push total operating costs upward.

CCGA, which still owes the Government for money borrowed after the 1972-73 crop, has requested a new Government loan to cover losses which may be incurred in 1974-75. In its 1975 budget presentation (made 10 days prior to the CCGA announcement), the Government included a proposal to modernize all citrus facilities and to examine whether there should be major participation in CCGA operations to enable the Government to guarantee funds required for industry expansion. As yet, no action has been taken on the year-old proposal to combine operations of the Government-owned lime processing factory and those of the CCGA factory.

Ivory Coast Pineapple Growth Slows

IVORY COAST production of pineapples for industrial uses has grown rapidly in the 5 years prior to 1974. But expansion slowed last year because there were not enough new farmers to keep up the pace. However, the slowdown is expected to be short lived.

Exports have also been mounting and further growth is expected. Most of these continue to be to European Community countries, although smaller sales have been made to Eastern Europe and North America. The United States is an important customer for Ivorian canned pineapple juice.

Output of Ivory Coast pineapples for industrial use has risen from 70,408 tons in 1969 to 156,000 tons in 1973, and is expected to reach about 159,000 tons in 1974. (All tons are metric.)

Pineapple production is centered around three processing plants that together currently process about 159,000 metric tons of fresh pineapple annually. Although these plants produce a full range of canned pineapple products, no information is available on the product mix.

Ivorian exports of canned pineapples and products have expanded from 24,000 tons in 1967 to about 52,000 tons in 1973. Major markets are generally France and West Germany, followed by other European Community countries. Low producer prices and good product quality account for the export jump.

Exports of pineapple products to the Ivory Coast's three most important customers in 1973 (with 1972 data in parentheses), in metric tons, were:

Fresh pineapples. France, 22,922 (26,231); Belgium-Luxembourg, 11,570 (3,688); Italy, 4,827 (2,362).

Canned pineapples. France, 20,742 (15,611); West Germany, 19,590 (18,700); The Netherlands, 4,344 (3,766).

Pineapple juice. France, 9,864 (9,989); West Germany, 1,071 (825); the United States, 855 (340).

Exports of fresh pineapples and products in 1974 are expected to be somewhat higher than in 1973. However, no real expansion is expected until raw fruit production rises. But once greater output is achieved, exports will probably continue to climb, since production capacity at the country's three processors is underutilized at present.

Exports of pineapples are a major foreign exchange earner for the Ivory Coast. They may be expected to play an even greater role in the Ivorian economy as the country tries to diversify agricultural production and lessen its dependence on such agricultural exports as coffee and cocoa.

Virtually all of Ivorian canned pineapples are exported with perhaps as little as 2 percent being consumed locally. Most of the pineapple used domestically is consumed as fresh, and even this is considered to be minimal—about 7,500 tons annually.

There are essentially no stocks of canned pineapple at yearend. This industry has not yet reached a production level whereby stock buildup is possible, but this is a prospect for the future.

—Based on report from
Office of U.S. Agricultural Attaché, Monrovia

Iraq Announces Food Import Plans

Iraq is planning to import 15,000 tons of frozen chickens, 9,000 tons of corn, 10,000 Freisian heifers, and 1,000 tons of malt in the next few months. U.S. firms will have the opportunity to supply some of these imports, though most of the frozen chicken is likely to be supplied by Danish and Dutch exporters, who have provided most of Iraq's imports of frozen poultry lately.

State trading firms in Baghdad evidently have limited contacts among foreign suppliers. Advertisements are placed in newspapers to inform foreign suppliers of Iraq's specific import intentions.

Soaring revenues from oil have greatly enlarged Iraq's role in world trade, both as an exporter and an importer. Total 1974 exports, at an estimated $8 billion, quadrupled their 1973 level, while imports staged an even sharper gain, to $4.56 billion from $1 billion in 1973. Farm products accounted for 13 percent of the total 1974 imports, compared with 25 percent in 1973.

Japan's Mixed Feed Output Down Decline in 1975 Could Be Larger

Mixed feed production in Japan fell to 17.93 million metric tons in 1974, slightly below the 1973 level. Significantly, this was the first downturn since 1965. Prospects for 1975 indicate a further decline, possibly of 5 percent or more.

Contributing to the falloff in mixed feed output was slack consumer demand for meat, reflecting high meat prices and an inflation rate that caused Japan's gross national product to fall nearly 2 percent last year—the first annual decline since World War II.

All segments of the Japanese livestock and poultry industries were affected by higher costs in 1974. The average mixed feed price in December was nearly 35 percent higher than that of the previous year.

The increase was mainly the result of higher priced imported ingredients. For example, in January 1974, the landed price of corn was $130 per metric ton; in November, it was $167, up nearly 30 percent. Corn constituted 6.4 million tons or 35 percent of the ingredients in last year's 17.9-million-ton output of mixed feed in Japan.

Mixed feed production is expected to fall again in 1975 as livestock and poultry numbers falter. Hog numbers are forecast down nearly 10 percent and cattle numbers have declined as the result of heavy slaughtering last year. In 1974, pork, dairy and beef production absorbed half of the mixed feed output.

A decline in chick hatchings is anticipated in 1975, implying that feed usage in the poultry sector, which accounted for about 50 percent of last year's output, will also be down.

Although price reductions for mixed feed were recently announced, no real improvement in cost-price relationships is foreseen.

—By KEITH SEVERIN, FAS

Brazil Shoots For Fertilizer Sufficiency In 5 Years

TO MEET Brazil's soaring domestic fertilizer demand without having to pay high world market prizes, Brazil's President Ernesto Geisel recently announced a national development program aimed at giving the country fertilizer self-sufficiency by 1980. The program, calling for the possible investment of US$1.2 billion, would, if successful, save at least US$950 million annually (based on 1974 prices) by relieving Brazil from the necessity of having to import fertilizers, according to the Brazilian newspaper articles describing the program.

The project calls for the establishment of a number of processing units scattered throughout the country near sources of fertilizer raw materials. Special stimulus would be given to expansion of onsite production facilities for ammonia, urea, phosphoric acid, and phosphate fertilizers. At the same time, existing prime raw material supplies would be developed further and exploration undertaken to locate new sources of phosphate, potash, and limestone.

By region, the newspaper articles revealed the program calls for the following projects aimed at the production of nitrogen fertilizer:

• **Northeast Brazil**—Construction of several ammonia and urea production units at different sites, each having a capacity of more than 1,000 tons per day. Their locations would depend on the outcome of surveys by the Brazilian State Petroleum Company, to locate natural gas sources.

Or an import terminal for ammonia would be constructed a Recife, to be operated in conjunction with fertilizer plants there.

• **Central Brazil**—Immediate construction of two production units for ammonia and urea, linked to two of the four existing oil refineries. These are situated at Paulínea, São Paulo; Araucária, Paraná; Betim, Minas Gerais; and São José dos Campos, and São Paulo.

Immediate construction of an import ammonia terminal near Santos, Sáo Paulo, with an annual handling capacity of 100,000 tons per year.

Feasibility studies leading to possible exploitation of a known natural gas deposit for use in producing ammonia and, perhaps, for other petrochemical items.

• **Southern Brazil**—Determine the best location in the area for an ammonia and urea production unit of 1,000-1,500 tons daily capacity, and examine the feasibility of using coal to produce ammonia.

In addition, ongoing studies concerning known deposits of phosphates in central and northeast Brazil are to be coordinated and speeded up in order to determine their possible exploitation by 1980. In south Brazil, the Government plans to encourage the private sector to invest in facilities to produce phosphoric acid.

The demand for fertilizers in Brazil has increased from 600,000 metric tons in 1968 to 1.7 million tons in 1973. Brazilian production of nitrogen, phosphorus, and potash fertilizers was never of any significance in past years, partly because of abundant world supplies at relatively low prices until 1971.

Development of a domestic fertilizer industry was slowed because the past small fertilizer demand did not warrant expending the large sums of money needed to establish big production units.

Brazil's fertilizer consumption is projected at 4 million tons by 1980, divided as follows: Nitrogen, 1.4 million; phosphate, 1.6 million, and potash, 1 million. Since present production is only slightly more than 1.1 million tons of nitrogen and phosphate—no potash is produced—the increase in fertilizer output in the next 5 years will have to be about 1 million tons for nitrogen, 820,000 tons for phosphates, and 1 million tons for potash.

In addition, approximately 15 million tons of lime would be needed by 1980 to correct the acidity of around 25 million acres used for agricultural production in the central and southern regions.

The 1980 demand for lime would be around 8 million tons more than present consumption, so more deposits would have to be developed. However, since such deposits are found in many places in Brazil, transportation and distribution costs would largely determine what deposits would be exploited.

—Based on report from *Office of U.S. Agricultural Attaché, Brasilia*

Nicaragua's Slaughter Up

Slaughter of cattle in Nicaragua is expected to rise to about 327,000 head for 1975 as the domestic cattle industry continues to market animals held during 1974.

Beef exports to the United States are expected to climb back to the level of about 55 million pounds, some of which will be processed meat.

Nicaragua's livestock numbers for 1975 are estimated at 2.5 million head of cattle and 600,000 head of swine. Data on equine population have not been published since the 1963 census, when there were 175,000 horses, 44,000 mules, and 6,800 burros.

Cattle slaughter in 1974 totaled about 267,000 head. The depressed market for Nicaraguan beef in the United States led export plants to lower their slaughter.

High feed prices continue to act as a damper on the swine industry, and an outbreak of hog cholera in 1974 led to the loss of 2,000-3,000 head and caused the frontiers of neighboring republics to be closed to Nicaraguan pork products.

A fifth Nicaraguan export slaughter plant is scheduled to open in mid-1975, and the long-planned horse slaughter plant is expected to be operating before midyear. The new beef plant probably will not be permitted to take part in the Government export quota for the United States, and will probably concentrate on the export of processed meat products.

U.S. Seed Sales to France

Continued from page 6

and imports are growing—with imports up 20 percent in 1973-74.

Oilseed seeds. The acute need for more oil and meals in France has stimulated sales of oilseed seeds. Sales of rapeseed for sowing for example, exceeded 2,900 tons in 1973-74.

Rapeseed for use as a feed is becoming an important crop, as is rape plowed under for soil improvement, as shown by sales of 1,900 tons in 1973-74 versus 1,300 the year before. Soybean seed production on about 9,500 acres in 1974 was not too successful due to the adverse weather at harvesttime. Early estimates indicated that less than 150 tons of seed would be suitable for planting, certainly not nearly enough to plant the 20,000 acres projected for 1975.

Dutch Citrus Imports Cut By Shortages

An assortment of reasons including high prices and short crops in some supplying countries caused Dutch imports of citrus fruit to tumble in the 1973-74 crop year (July 1-June 30), with reductions as large as 17.5 percent for oranges and as small as 3 percent for grapefruit. The Netherlands imported more orange juice in the 1973-74 period, but a substantial decrease in juice consumption was projected for 1974 as a whole.

Imports. Smaller crops in most supplier countries sent Dutch **orange** imports from 309,991 tons in 1972-73 to slightly less than 256,000 tons a season later. (All tons are metric.) The United States provided some 17,116 tons in 1973-74, a markedly lower volume than the 93,776 tons shipped by Spain.

The U.S. orange export season to Western Europe runs from mid-May to mid-October. During that period South Africa and Brazil are major U.S. citrus competitors.

Imports of U.S. and South African oranges have been rather stable in the past 3 years, while imports of oranges from Brazil declined from the 27,119-ton level of 1972-73 to only 5,022 tons in 1973-74. There is less demand for Brazilian oranges for home-squeezed orange juice because consumers now prefer to buy bottled or canned orange juice.

At the beginning of the 1973-74 season, the Dutch trade expected most of the supplier countries, except Spain, to export more oranges to the Netherlands than they had in 1972-73. Based on more recent data, however, it now appears that only Israel succeeded in increasing its sales to the Dutch—by more than 50 percent to 37,002 tons.

One important reason for the import drop may have been because citrus boards of various countries diverted ships bearing citrus cargoes away from Dutch ports to other destinations when the latter offered better prices than the Dutch market. But the reverse was also true when Dutch prices were higher.

For the first time in many years, imports of **tangerines and clementines** decreased, going from 52,839 tons in 1972-73 to 44,724 tons in 1973-74. This 15.5 percent drop was largely due to dry weather conditions in Spain and Morocco, where lower yields than usual cut export availabilities. Moreover, less fruit was of export quality.

Spain and Morocco were the two most important suppliers of tangerines and clementines, with respective shipment of 17,458 and 12,427 tons.

Dutch demand for **mandarins** has been growing fast in the last few years. Their annual per capita consumption has gone from 5 pounds in 1970-71 to 8 pounds in 1972-73, the highest level in Western Europe.

Lemon imports in the 1973-74 season decreased by more than 12 percent, to 15,339 tons. Imports of U.S. lemons, although only 5,450 tons in 1973-74—23 percent less than the 7,069 tons of the previous season—were again markedly larger than those of Italy, the Netherlands only other important source.

Behind the low volume of Italian lemon imports to the Netherlands was a strong West European demand and an extremely strong market in West Germany. But the main reason for declining Dutch lemon imports was a drop in reexports from 4,057 tons in 1972-73 to 2,515 tons in 1973-74.

The 3 percent drop in **grapefruit** imports in 1973-74 brought the total to 33,093 tons, compared with 34,089 the previous crop year. Primarily because of high prices, imports of U.S. grapefruit decreased 20 percent to 4,819 tons in 1973-74, compared with a year-earlier total of 6,016 tons. Texas pink grapefruit prices were 20-25 percent higher than those of 2 years earlier. Moreover, importers believe that West European consumers are not sold on U.S. pink grapefruit to the point where they will pay a premium price.

The total market for grapefruit is expected to expand, but the rate of increase for pink grapefruit will probably be slower.

Major grapefruit suppliers to the Netherlands in 1973-74, in addition to the United States, were Israel, with 11,410 tons; Cyprus, with 5,025 tons; and Surinam, with 1,480 tons.

The Netherlands is a large importer, processor, and exporter of citrus juices. But except for import and export data, which are not meaningful because the juice concentration is unknown, there is a dearth of published information about the Dutch citrus juice industry.

Dutch imports of **orange juice** in 1973-74 amounted to 35,328 tons, an increase of 35 percent over the preceding season's. Brazil remained the most important supplier with 12,325 tons, against 13,055 in the 1972-73 season. Imports from the United States increased by 61 percent in 1973-74—from 4,616 tons in 1972-73 to 7,411 tons.

At present, Dutch importers of citrus juices are not as optimistic about the future of the domestic market as they were earlier in 1974. They believe that consumption of orange juice was down by about 30 percent, not only in the Netherlands but in all of Western Europe. With expected larger orange crops in Brazil and Florida in 1974-75, they fear the resultant orange juice glut could force prices down markedly.

Dutch imports of **grapefruit juice** decreased from 1,709 tons in 1972-73 to 1,568 tons in 1973-74, a drop of 8.3 percent. The United States and Argentina were the principal suppliers with 489 and 452 tons, respectively.

Exports. West Germany was, by far, the largest customer for Dutch exports of **orange juice.** These amounted to 40,340 tons in 1973-74, an increase of 15 percent over the previous season.

—Based on report from
Office of U.S. Agricultural Attaché, The Hague

THE NETHERLANDS: CITRUS FRUIT IMPORTS BY CROP YEAR[1]
[In metric tons]

Type and Source	1972	1973	1974
Oranges:			
United States[2]	17,754	17,114	17,116
Spain	86,136	109,967	93,776
Israel	66,124	24,257	37,002
S. Africa	17,333	18,568	18,416
Brazil	15,969	27,119	5,022
Other	85,230	112,966	84,612
Total	288,546	309,991	255,944
Tangerines and clementines:			
Spain	22,900	28,810	17,458
Morocco	10,082	17,979	12,427
Other	6,211	6,050	14,839
Total	39,193	52,839	44,724
Lemons:			
United States	6,055	7,069	5,450
Italy	4,643	1,289	2,943
Other	4,653	9,108	6,946
Total	15,351	17,466	15,339
Grapefruit:			
United States	2,418	6,016	4,819
Surinam	3,366	2,112	1,480
Israel	13,335	9,660	1,410
Cyprus	2,272	5,909	5,025
Other	8,562	10,392	20,359
Total	29,953	34,089	33,093

[1] Year ending June 30. [2] U.S. orange export season to Western Europe is from mid-May to mid-October. Source: Israeli Central Bureau of Statistics.

CROPS AND MARKETS

GRAINS, FEEDS, PULSES, AND SEEDS

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	April 8	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-13.5	5.06	−17	5.42
USSR SKS-14	(1)	(1)	(1)
Australian FAQ[2]	(1)	(1)	(1)
U.S. No. 2 Dark Northern Spring:			
14 percent	4.82	−19	5.20
15 percent	5.02	−20	(1)
U.S. No. 2 Hard Winter:			
13.5 percent	4.79	+30	4.98
No. 3 Hard Amber Durum	6.80	−11	6.45
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	(1)	(1)	(1)
Feedgrains:			
U.S. No. 3 Yellow corn	3.34	−9	3.31
Argentine Plate corn	4.01	0	3.95
U.S. No. 2 sorghum	3.20	−8	3.25
Argentine-Granifero sorghum	3.16	−9	3.20
U.S. No. 3 Feed barley	2.78	−12	2.85
Soybeans:			
U.S. No. 2 Yellow	6.42	−25	6.22
EC import levies:			
Wheat	1.22	−6	0
Corn	.87	−3	.15
Sorghum	.99	−5	.20

[1] Not quoted. [2] Basis c.i.f. Tilbury, England.
NOTE: Price basis 30- to 60-day delivery.

P.L. 480 Actions on Wheat, Rice

New Title I agreements and amendments to previous agreements under the P.L. 480 program for the 2-week period March 19 through April 2 added 1,328,000 metric tons of wheat valued at $222.6 million, to the current fiscal year program, ending June 30. Purchase authorizations during the same period increased wheat and flour authorizations by 545,000 metric tons valued at $87.1 million, and rice by 107,500 metric tons, valued at $41.3 million.

New agreements were signed with India, on March 20, providing for 800,000 metric tons of wheat, valued at $128 million; Haiti on March 21 for 15,000 metric tons of wheat valued at $4.0 million, and Sri Lanka on March 25 for 100,000 metric tons of wheat flour valued at $24.5 million.

Amendments to previous agreements for wheat were signed on April 1 with Chile, for 113,000 metric tons valued at $18.1 million, and Egypt for 300,000 metric tons valued at $48 million. Total volume and value for wheat in the Egyptian agreement now stands at 600,000 metric tons valued at $102 million, and in the Chilean agreement at 300,000 metric tons valued at $51.7 million.

Purchase authorizations for the same period totaled 545,000 metric tons of wheat/wheat flour, valued at $87.1 million, and 107,500 metric tons of rice valued at $41.3 million. Authorizations in wheat/wheat flour were issued to Vietnam, 25,000 metric tons worth $4 million; India, 400,000 metric tons worth $56.2 million; Sri Lanka, 100,000 metric tons worth $23.7 million; and Jordan, 62,500 metric tons worth $3.2 million.

Authorizations in rice were issued to Bangladesh, 35,000 metric tons worth $13.9 million; Honduras, 10,000 metric tons worth $4 million; and Korea, 62,500 metric tons worth $23.4 million.

Agreements for wheat in the P.L. 480 program to date now provide for 3,015,000 metric tons, valued at $515.3 million. Purchase authorizations have been issued for 2,114,000 metric tons of wheat, at a value of $352.6 million.

Agreements for rice to date now provide for 637,500 metric tons, valued at $266 million. Purchase authorizations have been issued for 623,000 metric tons of the rice, valued at $240.1 million.

Under the terms of all country agreements except Korea, which operates on a calendar year basis, all shipments under the program must be made by the end of fiscal year 1975, ensuing June 30, 1975.

Drought Reducing Algerian Wheat Crop

Severe drought is adversely affecting Algeria's 1975 wheat crop. Current forecasts estimate an output of about 700,000 tons, compared with about 1 million in 1974. Since annual wheat consumption is close to 2.5 million tons, Algeria may need to import nearly 2 million tons of wheat in the 1975-76 marketing year.

Rains Damage Argentine Corn and Sorghum

Argentina's corn and sorghum crops have been damaged by heavy rains and flooding during the last 2 weeks of March. Though reports are incomplete, usually reliable trade sources estimate that the corn crop may be reduced to 8 million tons and sorghum to about 4 or 5 million. Together, these represent reductions of about 2 to 3 million tons, or roughly 100 million bushels from earlier forecasts.

Canadian Planting Intentions Below Earlier Expectations

Canadian farmers intend to plant 25.1 million acres of wheat this year, according to a Statistics Canada intention survey. This would be an increase of only 7 percent over last year's area as opposed to the more than 10 percent increase being called for earlier by Wheat Board officials.

Intended acreage may vary considerably from actual area sown. Farmers' plans last year were to seed almost 27 million acres to wheat. Actual acreage for the 1974 crop turned out

to be 23.5 million acres.

Barley planting intentions for this year are placed at 11.3 million acres—down almost 2 percent from last year—although high feedgrain prices in Canada were expected to stimulate an increase in barley seedings. Agriculture officials had earlier suggested that 13 million acres of barley would be needed to meet export demand and maintain adequate domestic supplies.

Wheat Intervention "B" Approved in EC

On March 27, the EC reportedly approved intervention "B" for wheat ("B" is "Preventive" intervention, which is used to avert expected disturbances to the market due to burdensome supplies). The following amounts were approved (1,000 metric tons): Benelux, 150; France 400; Germany, 300; and Netherlands, 400.

Weather Slows Planting In Czechoslovakia

Poor weather has seriously impeded spring planting in Czechoslovakia. As of April 1 only 946,000 acres or 31.9 percent of spring grains had been planted, versus 1.7 million acres at the same time last year. Total spring plantings of acres at the same time last year. Total spring plantings of grains in Czechoslovakia are normally about 2.5-3.8 million acres.

Decline In Wheat Acreage Expected In France

The Cereals Board (ONIC) released the following information concerning plantings (1,000 acres):

Winter and Spring Cereals	1974 Acreage	1975 Prospects
Soft wheat	9,700	9,100
Durum	440	605
Total wheat	10,200	9,700
Barley	6,700	7,000
Total	17,000	16,600

Total wheat acreage is expected to be down by 480,000 acres but the total wheat plus barley acreage is down only 250,000 acres. The 250,000-acre drop will probably be offset by expanded acreage of corn and sugarbeets.

French Grain Exports Down

The fol'owing French trade figures for the period August 1-February 28 (1,000 metric tons) show a significant decline in grain exports.

	1973-74		1974-75	
	Other EC	Total	Other EC	Total
Soft wheat	2,773	3,952	1,689	3,568
Barley	1,354	2,312	989	1,394
Corn	2,584	2,704	1,174	1,209

The French grain industry is urging the EC to set up export restitution, especially for closeby, normal third country markets, particularly for corn; only 48,000 tons of corn had been exported by France to the EC by February 1975 versus 499,000 by February 1974. This change is being attributed to EC regulations which recently allowed the importation of about 3 million tons of corn at prices somewhat below the threshold level.

DAIRY AND POULTRY

Swiss Expect Dairy Problems in 1975

Spokesmen of the Central Union of Swiss Milk Producers predict that growing milk production will create serious problems for Switzerland in 1975. The chances for cheese exports are viewed pessimistically because of the high value of the Swiss franc, as well as decreased purchasing power among prospective importers, and widening restrictions on imports. A high level of cheese production in other exporting countries could also have been cited.

Swiss milk output in 1975 is expected to increase about 1 percent from 1974's, which in turn increased slightly over 1 percent from that of 1973. Improved breeding is raising average production per cow, and Government-sanctioned milk prices are likely to be raised somewhat to offset rising costs at least partially.

While a net exporter of cheese (51,000 tons exported in 1974, 11 percent of it to the United States), Switzerland is an importer of butter, taking 12,000 tons in 1974.

Hungary Expanding Poultry Exports

Hungary's poultry industry has developed to a point where it is making significant exports of both consumer products and technology.

As the largest poultry meat exporter among the East European countries, Hungary competes with U.S. and European Community (EC) broilers in third-country markets as well as within the EC. Present large aggressive offerings by Hungary within the EC are thought to follow from the purported cancellation of a large Soviet-Hungarian contract.

Hungary is also an egg exporter, supplying all of Jordan's needs, 75 percent of Kuwait's, and 50 percent of Saudi Arabia's.

The export of Hungarian technology is centered upon Babolna, a technical agricultural complex. It sells breeding stock and hatching eggs, and in cooperation with West German interests, develops poultry farming in Middle East countries. Large projects are currently underway in Iraq and Syria.

EC Egg Subsidy Claimed Inadequate

British sources complain that an increased EC subsidy for egg exports is inadequate to meet East European prices for prospective deliveries to the Mideast. The subsidy was doubled on March 20 to around 9 cents per dozen, and is applicable to European third-countries and to most Mideastern countries.

TOBACCO

U.S. Burley Tobacco Exports Declining Sharply

Exports of U.S. unmanufactured burley tobacco have dropped sharply in recent months. After reaching a record export level of about 68 million pounds in fiscal 1974, shipments have lagged more each month for the first 8 months (July 1974-February 1975) of the current fiscal year.

Cumulative exports for the current period are down 31 percent in volume with the greatest reductions in shipments

to the European Community (down 61 percent), to Switzerland, and to the Philippines. Even though average prices of burley exports have advanced substantially, the cumulative value of exports is off about 24 percent.

Lower U.S. supplies and rising prices along with increased foreign burley production may be the principal factors behind this export decline.

As of January 1, 1975, the reported stocks of burley leaf tobacco owned by export dealers, including that remaining in government loan associations, were down to 165 million pounds (farm weight) compared to 277 million a year ago.

Only about 2.5 million pounds of U.S. burley from the 1974 crop was placed under loan. The amount of uncommitted loan stocks of burley is now negligible.

At the same time, the stocks of foreign grown burley held by U.S. manufacturers and dealers have been increasing sharply. On January 1, 1975, these stocks totaled about 118 million pounds—about seven times the level of 2 years earlier.

Although the 1974 U.S. burley crop was large, output fell short of domestic and export disappearance and grower prices reached a record high. The 1975 U.S. burley crop may rise about 10 percent and be sufficient to meet all requirements. However, U.S. exports of burley may do well to maintain recent levels in the period ahead.

Foreign burley production in 1974 increased over 30 million pounds or about 6 percent. Major gains were noted in Mexico, the Philippines, Argentina, Brazil, the Republic of Korea, and Greece. With improved prices and a continuing strong demand, foreign producers are expected to further expand burley production in 1975.

Bulgarian Tobacco Imports Placed in U.S. Customs Bond

A shipment of 4.3 million pounds of Bulgarian tobacco arrived in the United States and was placed in bond during February. Total value was $5.2 million at an average price of $1.21 per pound. This was the first shipment of a reported $17 million tobacco purchase which will be placed in U.S. bonded warehouses in anticipation of Bulgaria's receipt of most-favored-nation (MFN) status under the 1974 Trade Act.

Similar arrivals of Bulgarian tobacco in February and March 1974 totaled 4.4 million pounds, valued at $0.91 per pound. Only 114,000 pounds of the 1974 shipment have been duty paid at the non-MFN rate of 35 cents per pound compared to the 11.5 cent rate for MFN countries.

Bulgaria produces and exports substantial quantities of oriental-type cigarette leaf and is currently the world's largest cigarette exporter with a market mostly in USSR and East European areas. No U.S. tobacco or tobacco products have been exported to Bulgaria in recent years.

Canadian Tobacco Crop To Drop Despite Shortage, Higher Prices

With the 1974 crop auction season nearing a close, the annual negotiations between the Flue-Cured Tobacco Growers Marketing Board and the Canadian Tobacco Manufacturers Council (CMTC) began April 1 to set a target production figure for the 1975 flue-cured tobacco crop. Results of the negotiations are not yet available, but preliminary estimates point to a substantially smaller crop.

In an unexpected announcement recently, the CMTC indicated that its domestic requirements for purchase from the 1975 crop will be about 129 million pounds or 35 million pounds less than expected purchases from the 1974 crop.

Export requirements are also not expected to exceed the estimated 73 million pounds from the 1974 crop. Thus, the total requirements would place the 1975 crop at about 200 million pounds, substantially less than the target goals of about 250 million for the past 2 years.

CMTC's indicated cutback in purchase requirements is viewed by tobacco board officials as very puzzling considering recent reports indicating a current world shortage of tobacco and substantially higher prices on most world tobacco markets.

SUGAR AND TROPICAL PRODUCTS

African Tea Output Down

Reflecting drought conditions during the early months of 1974, African tea production totaled an estimated 149,300 metric tons, down slightly from the record 1973 harvest of 152,000. However, with new areas coming into production and with young plants increasing in productivity, African production should be at record levels in 1975.

Production data in metric tons for the major African countries for 1974 with 1973 data in parentheses are as follows: Kenya 53,440 (56,578); Malawi 23,318 (23,553); Uganda 21,630 (20,426); Mozambique 17,639 (18,795); and Tanzania 12,974 (12,658).

FRUIT, NUTS, AND VEGETABLES

Okinawa Halts Pineapple Canning

The Canned Pineapple Industries of Okinawa has announced plans to temporarily close all 12 canning factories beginning in April. Japan's economic recession is cited as the principal factor in the drop in annual canned pineapple consumption from the normal 3.3 million cases to 2 million cases in 1974. At the same time, inventories have reached 2.4 million cases.

The canned pineapple import quota by Japan issued for the first half of JFY 1974 (Japanese fiscal year—April 1974 to March 1975) totaled 21,433 metric tons (same as for the first half of JFY 1973) but at this point it appears that no quota will be issued for the last half of JFY 1974.

Japan Sets Import Quota For Orange Juice

On March 25, the Government of Japan announced a special quota on imports of frozen concentrated orange juice for blending with domestic juice at a ratio of at least 50 percent domestic juice. This quota was applied to the Japanese fiscal year just ended (April 1974-March 1975).

The quota is reported to be 350 metric tons (5 to 1 concentrate basis). The special blending quota for the previous fiscal year also totaled 350 metric tons, but is still in storage because the blending plant has not yet been constructed. It appears, however, that construction may soon begin.

During U.S. fiscal 1974, exports of frozen concentrated orange juice to Japan totaled roughly 1,000 metric tons, valued at $1.1 million. This special quota, added to the previous quota of 650 metric tons (not restricted to blending purposes), brings the volume of U.S. orange juice shipments to Japan to the same level as last year.

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West Germans Enforce Strict Pesticide Laws

Continued from page 8

are some 60 State Institutes for Chemical Investigation. Each of these institutes is equipped with laboratories, which are charged on an individual basis with performing continuing analysis of different substances for contaminants. These substances include pharmaceuticals, cosmetics, detergents, wines, meats, other foods, water, and sewage. Pesticides are among the contaminants looked for.

Only 11 of the 60 facilities are directly instructed to perform pesticide residue analyses, but these 11 are located so as to facilitate the shipment of samples taken by inspectors.

In 1970, these laboratories employed about 500 academically trained chemists, the number in each laboratory varying from only 2 to 3 to 25 or more, depending upon workload (facilities in Augsburg and in Bremen, for example, have 8 trained chemists each, Hamburg has 21, and Munich 28).

Similarly, the average number of samples analyzed in a year varies from laboratory to laboratory (about 450 in Bremen and 1,500 in Hamburg).

Analytical methods used for detecting and measuring different pesticides on different crops are from a variety of sources. The German Ministry of Public Health, for example, is the sole authorized source of analytical methods for wine and meat.

For other commodities, methods are taken from the Association of Official Analytical Chemists and its German counterpart (the DFG), the Federal Biological Institute of Germany, the International Standards Organization, and various industry and university sources.

Most if not all of these laboratories have gas-liquid chromatographs with a variety of detection devices for analytical purposes. In addition, the larger laboratories have increasingly sensitive and sophisticated equipment ranging from infra-red and ultra-violet spectrophotometers to fluorimeters and atomic absorption equipment for detecting heavy metals. Ultra-sound is used in a few laboratories for extraction purposes. Gel chromatography is being evaluated as an analytical tool and at least two facilities will have mass spectometers by early 1975.

AFTER RECEIVING a sample from one of the inspection agencies, the laboratory performs a standard series of analyses as quickly as possible. Regardless of the nature of the findings, a certificate of analysis must be forwarded immediately to the inspection services that drew the sample. If no pesticide residue problem appears, the shipment or lot remains in circulation.

On the other hand, if excessive residues are found, the appropriate inspection service is notified and a more detailed analysis for confirmation is made, if possible by the same laboratory. If more sophisticated equipment is required, the sample is forwarded to the nearest facility so equipped.

For domestically produced goods, an attempt is made to locate the producer and as much of the lot in question as possible. Whatever is found of the lot is then returned to the producer, with a warning, fine, or other penalty. The producer may destroy the lot or find some alternative use for it that presents no hazard to human, animal, or plant health.

In the case of imports, the shipment is usually still relatively easy to locate. The entire shipment or portions of it may be denied entry into the country or the purchaser may be allowed to find alternate uses for it as long as no health risks are involved.

In general, German food law enforcement appears to be quite efficient and dynamic. There is widespread awareness of problems and equally widespread interest in seeking solutions and improvements. Apart from the basic question of extremely rigorous residue tolerance levels, the weakest point in Germany pesticide legislation seems to be in sampling. German officials are quite ready to admit this and to solicit suggestions.

With regard to residue tolerance levels, the German people are certainly not in favor of any relaxation of the strict controls. However, many senior officials are frankly opposed to such a position and to some extent their voices seem to be reaching receptive ears.

Nevertheless, such influential sectors as consumers organizations may not be sufficiently exposed to these voices. Certainly, influence by example from authoritative sources outside the FRG can help to speed improvements.

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